GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:279
ANSWERED ON:13.08.2007
EXCESS EXPENDITURE ON PROCUREMENT
Mahtab Shri Bhartruhari

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether cases of excess expenditure on procurement of foodgrains have been reported recently;

(b) if so, the details and reasons therefor; and

(c) the steps taken to ensure compliance of proper norms in procurement operations of foodgrains?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH)

(a) & (b): Yes, Sir. Eleven cases of inefficiencies in procurement have been reported by Audit in Para 5.2 of Report No. 16 (Civil) of 2006 of C&AG. In this para the audit has highlighted inefficiencies in procurement by agencies of the State Governments involved in procurement operations due to following reasons:
(i) Delay in milling of paddy in the period 2000-05 in Chhattisgarh.
(ii) Loss due to improper storage of wheat in Haryana.
(iii) Short delivery of rice vis-Ã -vis prescribed out-turn ratio for paddy in Punjab and West Bengal.
(iv) Loss of interest in Punjab, Haryana and West Bengal.
(v) Short accountal on account of driage loss and moisture gain in Maharashtra, Haryana and Rajasthan.
(vi) Excess milling charges in West Bengal.

(c): All these cases of inefficiencies have been examined in consultation with the State Governments concerned as well as the Food Corporation of India (FCI) and action taken note has been sent to audit.

The Central Government reimburses procurement costs incurred by State agencies based on standard principles and procedures and does not reimburse costs incurred by State agencies for blatant inefficiencies or in cases where the State Governments relax the prescribed norms of the Central Government. Procurement incidentals are initially paid to State Governments on provisional basis till they submit their audited accounts. Final subsidy claims of State Governments are paid only after they submit their final accounts duly audited.